OUTGOING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

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Telegram

Department has under consideration the Embassy's despatch No. 3059 of January 7 and 3093 of February 27 and to the Embassy's telegram No. 2943 of January 29, concerning the application of the FCN treaty with Japan. The Department would appreciate being informed whether there have been any developments subsequent to that described in paragraph 4 of the reference telegram, including the action the Japanese intend to take to assure uniform enforcement of the anti-monopoly law with respect to acquisitions and maintenance of companies. Recently several American companies who hold interests in Japanese electronics enterprises have expressed the desire to increase profits, make available to them as part of the reorganization of their businesses, to purchase additional shares of stock at a low price, and then to hold the shares for a substantial period. The Department would appreciate being informed whether such persons will be permitted to reinvest the proceeds from the sale of the stock, and if not, whether they will be precluded for a period of time even from reinvesting such limited gains as restriction imposed by Japanese corporations.

January 3/19/82

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